



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-2768

Fax: (517) 373-1986

Article 1

| FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE | FY 2020-21 YEAR-TO-DATE* | FY 2021-22 INITIAL APPROPS. | CHANGES FROM FY 2020-21 YEAR-TO-DATE | |
|--|-----------------------------|--------------------------------|---|-------------|
| | | | AMOUNT | PERCENT |
| FTE Positions | 519.0 | 521.0 | 2.0 | 0.4 |
| GROSS | 124,895,000 | 155,560,300 | 30,665,300 | 24.6 |
| Less: | | | | |
| Interdepartmental Grants Received | 324,400 | 320,000 | (4,400) | (1.4) |
| ADJUSTED GROSS | 124,570,600 | 155,240,300 | 30,669,700 | 24.6 |
| Less: | | | | |
| Federal Funds | 16,729,500 | 13,599,800 | (3,129,700) | (18.7) |
| Local and Private | 71,300 | 71,300 | 0 | 0.0 |
| TOTAL STATE SPENDING | 107,769,800 | 141,569,200 | 33,799,400 | 31.4 |
| Less: | | | | |
| Other State Restricted Funds | 44,153,000 | 44,202,300 | 49,300 | 0.1 |
| GENERAL FUND/GENERAL PURPOSE | 63,616,800 | 97,366,900 | 33,750,100 | 53.1 |
| PAYMENTS TO LOCALS | 8,800,000 | 11,800,000 | 3,000,000 | 34.1 |

*As of September 30, 2021.

| | Gross | GF/GP |
|--|----------------------|---------------------|
| FY 2020-21 Year-to-Date Appropriation | \$124,895,000 | \$63,616,800 |

Changes from FY 2020-21 Year-to-Date:

Items Included by the Senate and House

- Laboratory Integration of Food Safety System.** The Governor, House, and Senate recommended adding \$600,000 in available Federal fund support for an integrated food safety system. 600,000 0
- Licensing and Inspection Programs.** The Governor, House, and Senate recommended ongoing maintenance and support costs for the licensing and inspection system, including \$210,000 GF/GP and \$44,900 in restricted funds. 254,900 210,000
- Conservation Reserve Enhancement Program.** The Governor, House, and Senate recommended the elimination of the one-time program from FY 2020-21. (4,400,000) (4,400,000)
- Michigan Animal Agriculture Alliance.** The Governor recommended a reduction of \$1,253,000 from the GF/GP funded grant program designed to support agriculture animal research, which would result in a proposed appropriation FY 2021-22 of \$1,747,000 GF/GP. House, Senate and Conference rejected reduction and chose to continue FY 2020-21 funding level of \$3.0 million GF/GP for FY 2021-22. 0 0
- Information Technology.** The Governor, House, and Senate recommended a technical adjustment to reflect actual revenues, including a reduction of \$3,200 IDG and \$700 in State restricted funds. (3,900) 0
- Pesticide and Plant Pest Management.** The Governor, House, and Senate recommended a shift of \$101,800 in existing revenues from restricted to Federal to accurately reflect funding. 0 0

| | | |
|--|----------------------|---------------------|
| 7. Adjustment for FY 2020-21 Supplementals and Transfers. A technical adjustment to reflect the passage of FY 2020-21 supplemental appropriations and transfers. Includes a transfer of \$500,000 federal for Laboratory Services, and a supplemental appropriation of \$2.6 million federal for a specialty crop block grant program. | (3,100,000) | 0 |
| 8. Economic Adjustments. Includes (\$433,700) Gross and (\$307,900) GF/GP for total economic adjustments, of which an estimated (\$1,592,100) Gross and (\$1,103,900) GF/GP is for legacy retirement costs. | (433,700) | (307,900) |
| <u>Conference Agreement on Items of Difference</u> | | |
| 9. Local Conservation Districts. Senate included \$3.0 million GF/GP in on-going funds to provide operational support for local conservation districts. House included \$2.0 million. Conference concurred with Senate but specified \$1.0 million of total to be a one-time appropriation. | 3,000,000 | 3,000,000 |
| 10. Farm Innovation Program. Conference included one-time funding of \$3,189,000 GF/GP for a new grant program for farm innovation projects. | 3,180,000 | 3,180,000 |
| 11. Bovine Producer Reimbursement. Conference included one-time funding of \$400,00 GF/GP to assist livestock producers under a quarantine issue. | 400,000 | 400,000 |
| 12. Agriculture Equine Industry Development Fund (AEIDF). Conference included a one-time \$3.2 million GF/GP appropriation to the restricted fund AEIDF. | 3,200,000 | 3,200,000 |
| 13. Agriculture Nutrient Best Management Voluntary Practices Program. Conference included a one-time appropriation of \$25.0 million GF/GP (over 4 years, via work project status) to administer a pilot program to support the implementation of agriculture nutrient best management practices to improve water quality and to reduce phosphorus levels in the Lake Erie basin. | 25,000,000 | 25,000,000 |
| 14. County Fairs, Shows, and Exhibitions. Senate included additional funding of \$2.0 million GF/GP for grant program, for a total FY 2021-22 appropriation of \$2.5 million GF/GP. House included \$500,000; Conference included \$500,000 ongoing and \$1,950,000 million one-time. | 1,950,000 | 1,950,000 |
| 15. Farm Stress. Senate included \$225,000 GF/GP in one-time funds for a program to respond to mental stress and fatigue of Michigan farmers and agricultural workers and their families. House did not include; Conference concurred with Senate. FY 2020-21 supplemental appropriations provided \$500,000 in federal funds. | (275,000) | 225,000 |
| 16. Rural Development Specialist. The Governor recommended the creation of a new FTE position to specialize in rural development, at an ongoing cost of \$175,000 restricted. Senate did not include. House and Conference included, using GF/GP funds. | 175,000 | 175,000 |
| 17. Fair Food Network - Double Up Food Bucks. Senate eliminated funding for the grant program for FY 2021-22. House included year-to-date amount of \$900,000; Conference included \$900,000 ongoing and \$1.1 million one-time. | 1,100,000 | 1,100,000 |
| 18. Food Safety and Quality Assurance Reduction. Senate included a reduction of 1.0 FTE and \$100,000 gross, \$50,000 GF/GP. House and Conference did not include reduction. | 0 | 0 |
| 19. Food and Agriculture Investment Program. Senate included an increase of \$740,000 GF/GP, leaving an appropriation of \$3,210,600 GF/GP for FY 2021-22. House and Conference maintained FY 2020-21 funding. | 0 | 0 |
| 20. Unclassified Salaries. The Governor and House recommended an increase from \$599,900 GF/GP for FY 2020-21 to \$617,900 GF/GP. Senate did not include an increase. Conference concurred with Governor and House. | 18,000 | 18,000 |
| Total Changes | \$30,665,300 | \$33,750,100 |
| FY 2021-22 Initial Appropriation | \$155,560,300 | \$97,366,900 |

Boilerplate Changes from FY 2020-21 Year-to-Date:

Items Included by the Senate and House

1. **Acronyms and Definitions.** The Governor removed definition of "Fiscal Agencies," "HHS," "LARA," "MDEGLE," and "Subcommittee", terms currently used throughout FY 2020-21 boilerplate. *House and Senate retained current year language.* (Sec. 203)
2. **Reporting Requirements.** The Governor removed a subsection that required notification when a report has been placed on the Department's website. *House and Senate retained current year language.* (Sec. 204)
3. **Out of State Travel Report.** The Governor amended language by adding reference to MCL 18.1217. *House and Senate retained current year language.* (Sec. 207)
4. **General Fund Lapse Report.** The Governor amended the language to shift the due date of the report from no later than November 30 to December 30. *House and Senate retained current year language.* (Sec. 209)
5. **Web-Based Fiscal Status Reporting.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO." *House and Senate retained current year language.* (Sec. 211)
6. **Restricted Fund Balances Report.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". *House and Senate retained current year language with date change.* (Sec. 212)
7. **Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. *House and Senate retained current year language.* (Sec. 215)
8. **Work Project Expenditures.** The Governor deleted this section, which required that, to the extent possible, appropriations in part 1 not be spent until all existing work project funds for that same purpose have been spent. *House and Senate retained current year language.* (Sec. 217)
9. **Administrative Board Transfers.** The Governor deleted this section, which allows the Legislature to transfer funds via resolution should the Administrative Board transfer funds. *House and Senate retained current year language.* (Sec. 218)
10. **Policy Changes Made to Implement Public Acts.** The Governor deleted language that required the Department to report annually on policy changes made to implement recent public acts. *House and Senate retained current year language.* (Sec. 220)
11. **MDARD Collaboration with USDA on Monitoring Bovine TB.** The Governor, House, and Senate removed a reference to a specific memorandum of understanding (MOU) date and supplanted it with "currently required" MOU. (Sec. 454)
12. **Environmental Stewardship.** The Governor, House, and Senate struck a reference to grants within the 2014 Federal farm bill and kept a reference to 2018 farm bill. (Sec. 601)
13. **Michigan Agriculture Environmental Assurance Program (MAEAP).** Governor amended language to remove cap on federal receive and expend monies. *House and Senate retained current year language.* (Sec 604)
14. **Agriculture Equine Industry Development Fund.** The Governor, House and Senate amended language to update a reference from 2021 to 2022. (Sec. 802)
15. **Conservation Reserve Enhancement Program.** The Governor, House, and Senate deleted this language, which refers to a one-time FY 2020-21 program. (Sec. 901)
16. **Agriculture Nutrient Best Management Voluntary Practices Program.** Conference included language providing guideline for expending the one-time, \$25.0 million GF/GP 4-year program which is designed to support the implementation of agriculture nutrient best management practices to improve water quality and to reduce phosphorus levels in the Lake Erie basin. (Sec. 1001)

Conference Agreement on Items of Difference

17. **Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan, and veteran-owned business goods and services, by adding "to the extent possible under MCL 18.1261". *House and Senate retained current year language. Conference concurred with Governor.* (Sec. 205)

18. **Contractual Services and Supplies in Deprived and Depressed Communities.** The Governor amended language requiring that steps be taken to ensure businesses in deprived and depressed communities compete for State business, by adding "to the extent permissible under the management and budget act". *House and Senate retained current year language. Conference concurred with Governor.* (Sec. 206)
19. **Contingency Fund Legislative Transfers.** The Governor amended language to increase the maximum of Federal fund transfers from \$3.0 million to \$5.0 million, increase the maximum for Restricted funds from \$2.0 million to \$6.0 million, and keep the local and private funds limit at \$100,000 that would be eligible for transfer. *Senate deleted entire boilerplate section. House and Conference retained current year language, using "authorization."* (Sec. 210)
20. **Quarterly Employee Status Reports.** The Governor deleted this reporting requirement. *Senate included "on a semiannual basis"; House and Conference retained current year language.* (Sec. 216)
21. **Retention of Reports.** The Governor and Senate recommended elimination of this section, which requires the Department to receive and retain records. *House and Conference retained current year language.* (Sec. 219)
22. **Report on Severance Pay.** House and Conference included language requiring a report on departmental severance pay. (Sec.221)
23. **COVID-19 Management Restrictions.** House and Conference added language to prohibit requiring proof of vaccination. (Sec.222)
24. **Costs of Whole Herd Bovine TB Testing.** The Governor added language that MDARD must pay for all "required regulatory" testing costs. *Senate retained current year language. House and Conference added buffer zones to areas in which payments would be provided.* (Sec. 451)
25. **Local Conservation Districts.** Senate added language providing that funds in part 1 for local conservation districts shall be distributed equally to each local conservation district in operation as of April 15, 2021. *House did not include; Conference included language providing guidelines for expenditure.* (Sec. 609)
26. **Farmland and Open Space Preservation.** Senate added new language requiring the department to work with the Department of Treasury to improve the timely processing and issuance of tax credits for Michigan's farmland and open space preservation program. *House did not include; Conference concurred with Senate.* (Sec. 610)
27. **Food and Agriculture Investment Program.** The Governor amended the language by changing the tentative work project date from 2023 to 2024 and increasing the allowable percent of administration costs charged to the grant program from 5% to 10%. *Senate concurred with date change, rejected increase in admin allowance, and added to the purposes of the program, facilities "with a focus on new and expanding protein processors." House and Conference concurred with Senate.* (Sec. 701)
28. **Double Up Food Bucks.** The Governor amended language to update reporting requirements for the program from 2021 to 2022. *House added language requiring 80% of appropriations go to payments to participating food vendors and updated program guidelines. Senate deleted entire boilerplate section. Conference concurred with House.* (Sec. 703)
29. **Agriculture Equine Industry Development Fund (AEIDF).** Conference included language providing guidelines for the expenditure of a one-time \$3.2 million GF/GP appropriation to the restricted fund AEIDF. (Sec. 1002)
30. **Bovine TB Quarantine - Producer Reimbursement.** Conference included language providing guidelines for expenditures for producer reimbursements under the one-time grant program appropriated at \$400,000 GF/GP. (Sec.1003)
31. **Farm Innovation Grant Program.** Conference included language providing guidelines for expenditure of the one-time appropriations of \$3,180,000 for grants for farm innovation projects. (Sec.1004)
32. **Farm Stress Program.** Senate included language providing that one-time funds in part 1 for the farm stress program shall be used to respond to the mental stress and fatigue of Michigan farmers and agriculture producers and their families. *House did not include; Conference concurred with Senate.* (Sec. 1005)

Date Completed: 10-12-21

Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.